

Annual Report on State Enforcement and Regulation

SEPTEMBER 2022 – SEPTEMBER 2023



National Association Of State Charity Officials (NASCO)

The National Association of State Charity Officials (NASCO) is an association of state offices charged with the regulation and oversight of charitable organizations and charitable solicitation in the United States. Learn more at www.nasconet.org.

Introduction

The National Association of State Charity Officials (NASCO) is an association of governmental offices of the states, territories and commonwealths of the United States that are charged with the oversight of charitable assets, charitable organizations, and charitable solicitations. Members include offices of attorneys general, secretaries of state, and others charged with these oversight duties. On a day-to-day level, we are a group of public servants committed to ensuring the integrity of the charitable sector.

Among the purposes of NASCO are to provide a forum for the exchange of views and experiences regarding charities matters and to foster communication and coordination with the public on issues related to charities regulation and oversight.

Consistent with these purposes, NASCO is pleased to provide fellow regulators and the public with the Annual Report on State Enforcement and Regulation for the period September 2022 to September 2023. The report consists of state-by-state activities in the following areas:

1. Enforcement cases in these key areas:

- a. Deceptive Solicitations
- b. Governance
- c. Trusts and Estates
- d. Other

2. Outreach efforts and published guidance

3. Transaction reviews

4. Regulations and legislation

Questions regarding particular cases, actions or issues should be directed to the relevant state. Contact information for each state can be found at www.nasconet.org.

PLEASE NOTE: The report is not comprehensive. It is designed to provide and highlight a sample of activities for the covered period, not to encompass all matters addressed by state charity regulators.

The contents of the report do not constitute legal advice and are not intended for legal citation. Rather, as indicated, they are provided to share experiences and communicate to the public, including the charitable sector, some of the key activities of charity regulators during the year.

Thank you to all who contributed your time and effort to help compile this report and for your dedication to ensuring a strong and vibrant charitable sector.

1. Enforcement Actions

a. Deceptive Solicitations

CA Move America Forward. The California Attorney General filed a complaint against Move America Forward (MAF), a nonprofit corporation located in Sacramento, California. MAF sends care packages to active-duty troops abroad. The complaint alleged self-dealing, deceptive solicitations, and breaches of fiduciary duty including for engaging in prohibited political activities. The case was resolved through a settlement agreement for injunctive relief, and \$100,000.

CA Aid for Starving Children. The California Attorney General filed a complaint against Aid for Starving Children for misrepresentation in solicitations related to the charity's name, and the use of the images of starving African children on its website, when only a small percentage of its program expenses go to hunger relief. Instead, the charity's primary activity involved the distribution of pharmaceutical drugs to charities in Central America and South East Asia. The case was resolved through a settlement agreement which included required changes to the charity's solicitation practices and improved recordkeeping.

CO InfoCision. In November 2021, a federal district court in Colorado upheld the constitutionality of the Colorado Charitable Solicitations Act's registration requirements for paid solicitors. Consistent with the Act's requirements, the Colorado Secretary of State denied InfoCision's paid solicitor registration in 2019 after InfoCision disclosed that it had been enjoined from making false or misleading statements in connection with a settlement with the Federal Trade Commission in Ohio. InfoCision challenged the Colorado law in federal court, alleging it violated the First Amendment. After both parties filed for summary judgment, the federal district court found in favor of the Colorado Secretary of State, holding that the law complied with the First Amendment. InfoCision appealed to the Tenth Circuit, and Colorado moved to dismiss the appeal for mootness, since Colorado's 5-year statutory ban on registration had run in January 2023 and InfoCision now is registered. The Tenth Circuit has remanded the case to the district court to address the mootness issue.

GA The Hope Box, Inc. The Hope Box was organized to "provide services to infants and mothers in crisis" and to "provide safe haven training and services to safe haven providers within the State of Georgia." The Georgia Secretary of State found that The Hope Box operated as an unregistered charity, made misrepresentations about its organization, and misused donor funds. The matter concluded with a consent decree that barred The Hope Box from operating as a charity in Georgia and prohibited Sarah Koeppen, its executive director, from participating in charitable fundraising activities in the state.

GA Farmhouse Veggies NP, Inc. Farmhouse Veggies, Inc. (Farmhouse) held itself out as a charitable nonprofit that worked with local food banks and churches to feed people in need. Farmhouse, however, had not registered with the Georgia Secretary of State as a charitable organization. Respondents admitted that donations collected by Robert Jackson, the organization’s CEO, and a group of volunteers were spent on volunteer housing, not for the purposes described to donors. The organization claimed it had ceased soliciting in Georgia when it had not. The investigation concluded with a Cease and Desist order requiring both Farmhouse and Jackson to stop their activities.

IN United States of America Republic Corporation. In March 2023, the Indiana Attorney General’s Office was awarded a default judgment against the United States of America Republic Corporation, an Indiana nonprofit organization that claimed through its website to be “the de jure United States of America Republic National Government” and to have the authority to issue passports, birth certificates, driver’s licenses, vehicle registrations, vehicle titles, license plates, and voter registration to consumers in Indiana and elsewhere across the country. The organization’s name as well as its claims were found to be misleading to consumers and to illegally imply an affiliation with government agencies that does not exist. The defendant was enjoined from soliciting and from engaging in consumer transactions for passports, drivers’ licenses, voter registration and similar government-issued documents under the Indiana Nonprofit Corporation Act, the Indiana Deceptive Consumer Sales Act and other statutes. In addition, \$137,500 in civil penalties was assessed.

MA In January, 2023, the Massachusetts Attorney General (AGO) commenced a civil enforcement action against two corporate entities, **Political Petitioning of MA, LLC** (PPMA) and **Help Homeless Vets, Inc.** (HHV), and the entities’ corporate agents, Sean Murphy, and Rikkile Brown, alleging that the entities and their agents violated Massachusetts’ Charitable Solicitation Act. Specifically, the AGO alleged that the principals recruited and hired veterans to solicit and collect charitable donations under the guise of collecting signatures for a ballot petition that purports to help homeless veterans, failed to register as professional solicitors and failed to submit registration papers or accountings of the donations they collected. The AGO obtained an order from the superior court enjoining the defendants from soliciting charitable donations in the Commonwealth and the case continues in the discovery phase.

MN In June 2023, the Minnesota Attorney General’s Office filed an Assurance of Discontinuance that prohibits a Minnesota-based wellness physician and his practice from soliciting contributions for a charity that did not exist, falsely claiming on his website that fees paid to his clinic benefited charity and were tax-deductible, or making other misleading statements on his website. In the Assurance, the Attorney General alleged that **Sean O’Mara** violated charity laws by falsely telling prospective patients that they would “be eligible for a deduction from [their] taxes by working with Dr. Sean’s Nonprofit or pay for your consultation with pretax dollars as a business expense.” The Attorney General alleged that Dr. O’Mara “never created any nonprofit” and “provided consultations through MedCon Wellness, which is not tax-exempt” or eligible for tax deductions. The Assurance also alleged that Dr. O’Mara “solicited contributions through his website, requesting funds via a PayPal link, phone calls, and the private messaging app WhatsApp” for a nonexistent charity. Dr. O’Mara also promised to “donate all [his] professional fees” to charity if a customer was not satisfied, but never made any such donations. The Assurance holds Dr. O’Mara accountable for \$25,000 for each occurrence if he violates the Assurance in the future.

OH Ohio Clean Water Fund. In February 2023, after a Norfolk Southern train derailment disrupted the lives of residents in East Palestine, Ohio, more than 3,000 Ohioans contributed to a fundraising campaign conducted by the Ohio Clean Water Fund. The campaign raised more than \$141,000 to provide bottled water and aid to area residents, stating that the charity had partnered with the Second Harvest Food Bank of the Mahoning Valley. However, the food bank had not given permission for the campaign and was unaware of the efforts made in its name at the time. When the food bank contacted Ohio Clean Water Fund, it was given only \$10,000. The Ohio Attorney General’s Office sought and received a restraining order against Ohio Clean Water Fund, recovered funds raised, and directed them to the food bank. Ohio Clean Water Fund is dissolving as an organization and the organizers have been assessed additional penalties.

OH Directele, Inc. Directele, Inc. was a registered professional solicitor that conducted charitable solicitation campaigns in Ohio, subjecting it to registration and reporting requirements in accordance with Ohio Revised Code Chapter 1716. Directele failed to comply with these statutory requirements during the effective period of its registration bond. Despite the Ohio Attorney General’s Office’s multiple notifications to Directele, the organization neither responded nor resolved or cured its violations. Accordingly, the Office requested and received forfeiture of Directele’s registration bond in the amount of \$25,000.

b. Governance

CA In May 2023, the court approved an Assurance of Voluntary Compliance with Neal Zeavy, Raffle Administration Corp. and NZ Consulting that was the result of a California Attorney General's Office investigation. Zeavy and his companies were hired to conduct "Dream House" raffles for various high-profile charities. Zeavy was generally paid 10 percent of the gross sales in violation of California Penal Code section 320.5(g)'s prohibition on anyone other than the charity having a financial interest in the raffle. Only employees of the charity can receive compensation in connection with the raffle, and Zeavy was acting as an independent contractor which violated Penal Code section 320.5(d). Zeavy was paid millions of dollars in funds that were required to go to charity under California law. The Assurance of Voluntary Compliance requires Zeavy to pay \$5.5 million dollars in penalties and prohibits his involvement in charitable fundraising in California for five (5) years. There are an additional \$10 million in stayed penalties that sunset after five (5) years.

CT In a highly contentious and seemingly intractable dispute between the dysfunctional board members of the **Israel Putnam House Association** and the **Putnam Hill Chapter of the Daughters of the American Revolution** related to allegations of financial misappropriation and board mismanagement, the Connecticut Attorney General's Office aided in negotiating and facilitating a resolution between the factions.

DC ***District of Columbia v. Casa Ruby, Inc.*** Casa Ruby, Inc. is a District of Columbia nonprofit corporation that provided shelter, transitional housing, and other services to LGBTQ youth. The Office of the Attorney General for the District of Columbia brought an enforcement action in July 2022 against Casa Ruby and its founder and executive director, Ruby Corado, for violations of the Nonprofit Corporation Act. Although Ms. Corado publicly announced her resignation as Casa Ruby's executive director in November 2021, she continued to maintain sole control of its bank accounts and misappropriated Casa Ruby's funds to personal bank accounts she held in El Salvador. In June 2022, Casa Ruby shut down its programs, vacated its shelters, stopped paying its employees, and by that time had lost its last board member. Following an ex parte proof hearing in August 2022, the D. C. Superior Court issued a temporary restraining order enjoining Ms. Corado from accessing Casa Ruby's financial accounts and appointing a temporary receiver to manage Casa Ruby's affairs pending a determination that Casa Ruby's activities could resume under new leadership, or alternatively, that Casa Ruby should be dissolved. The case is currently in discovery.

DC *District of Columbia v. Delta Phi Epsilon, Inc. et al.* The Office of the Attorney General for the District of Columbia initiated this D.C. Nonprofit Corporation Act (NCA) enforcement action against two District of Columbia nonprofit corporations, Delta Phi Epsilon, Inc. (DPE) and Delta Phi Epsilon Foundation for Foreign Service Education (Foundation), and one of the corporation's former directors/officers, Terrence J. Boyle. The Attorney General's complaint alleged that Mr. Boyle, who exercised near total control over the two nonprofits over three decades: (1) caused the Foundation to enter into a real estate transaction in which Mr. Boyle used Foundation funds to finance his purchase of a personal residence; and (2) caused DPE to violate the NCA by transferring its primary real estate asset without prior approval from DPE's members. In September 2022, the Superior Court granted partial summary judgment in the District's favor, concluding that Mr. Boyle's purchase of a personal residence using Foundation funds constituted an unlawful private inurement transaction and a breach of Mr. Boyle's fiduciary duties, and that DPE's failure to obtain member pre-approval for the transfer of its primary asset violated the NCA. The parties have reached a settlement in the form of a consent judgment that, if approved by the Superior Court, requires that Mr. Boyle return \$100,000 to the Foundation as restitution, bars Mr. Boyle from acting as an officer or director of any District nonprofit for a period of ten years, and requires the Foundation to deploy its accumulated financial assets toward funding scholarships consistent with its stated educational purpose.

IL *People of the State of Illinois v. Wheaton Historic Preservation Council, an Illinois not-for-profit corporation* The Illinois Attorney General's Office (Office) filed an accounting action alleging violations of the Charitable Trust Act and Solicitation for Charity Act against Wheaton Historic Preservation Council (WHPC), an Illinois 501(c)(3) charitable organization that was formed in 1980 to operate as a historical museum in Wheaton, Illinois, and three of its board members, Alberta Adamson, Laurie Warfel, and Gloria Leetz. Around the time that WHPC sold property it had used as a museum and ceased active operations, WHPC entered into an agreement with the city of Wheaton to store its historical artifacts in a Wheaton storage facility, which is not open to the public. Defendants did not cooperate with the investigation and did not authorize access to the WHPC storage facility. The AG issued Orders to Produce to WHPC's bank accounts which showed that Adamson received approximately \$300,000 in WHPC monies during the period from 2017 through the date on which the complaint was filed. The Office filed a Motion for Partial Judgment on the Pleadings with respect to the period of time that WHPC was unregistered. The Court issued a ruling in August, 2023, granting this motion in part. Specifically, the Court ruled that Section 9(h) of the Solicitation Act applies and that it mandates the forfeiture of \$192,000 of the monies that were paid out to Alberta Adamson, and that the Defendants are unfit to serve as charitable trustees and should be removed and replaced with new trustees or a receiver. The Office is now in the process of asking the Court to appoint new trustees and will likely need to take steps to enforce the \$192,000 judgment.

MA In 2022, the former executive director of **Casa Nueva Vida** (CNV), a publicly-funded nonprofit homeless shelter with locations in eastern Massachusetts, agreed to pay \$6 million to settle a lawsuit brought by the Massachusetts Attorney General's (MA AGO) False Claims Division. The MA AGO had alleged that the former executive director had inappropriately profited at the Commonwealth's expense by, among other things, failing to disclose related party transactions, charging CNV inflated rent for properties he owned, and using Commonwealth funds to improve those properties. In addition to the \$6 million payment, the former executive director agreed to a series of permanent injunctions that bar him from working with CNV, accepting any position as a fiduciary at any Massachusetts public charity, working on or with any business connected to the state or a state entity or any business that receives funding from the state, and from forming a separate entity or operating under a different name. After this settlement the MA AGO's Non-Profit Organizations/Public Charities Division worked with CNV to transition families and operations from CNV to another nonprofit organization and subsequently reviewed the proposed transfer of CNV's remaining assets to the nonprofit organization now supporting CNV's former clients.

MN In January 2023, the Minnesota Attorney General's Office (Office) filed a lawsuit against Minnesota nonprofit **ThinkTechAct Foundation**, its president, a board member, and the executive director, alleging they ran a sham nonprofit, misused nonprofit funds, and violated numerous other governance requirements under Minnesota charity law. The Office's investigation revealed that ThinkTechAct's president received at least \$21.8 million in nonprofit assets, of which he steered more than \$14.8 million to entities owned or co-owned by a board member. Meanwhile, the board member's entities made payments to ThinkTechAct's president of nearly \$850,000 for "consulting." The lawsuit asks the court to impose civil penalties on the individual defendants and prevent them from serving as officers or directors of any state nonprofit or charitable corporation in the future. The complaint also alleges that the defendants pocketed sizable nonprofit assets obtained through the federal child-nutrition program and that ThinkTechAct failed to register with the Office as a soliciting public charity, failed to file required annual reports on its activities, and failed to cooperate with the Office's investigation as required by law. The Office settled with the charity's former executive director and in April 2023 received court approval to dissolve the charity. Both the charity's president and a board member were criminally indicted in September 2022 by a federal grand jury on several charges related to the federal child-nutrition funds, including wire fraud, money laundering, and conspiracy to commit those offenses. The civil matter is stayed pending the criminal trial outcome.

ND In March 2022, the North Dakota Attorney General's Office obtained a judgment against the former treasurer of **Bismarck Mandan Autism Families**, a dissolved North Dakota-based nonprofit corporation. The judgment required the treasurer to release to the Attorney General \$25,000 that remained in the organization's bank account after the organization's dissolution. The Attorney General subsequently distributed the funds to a local organization representing children with autism and their families.

NY In October 2022, the New York Attorney General's Office (NY OAG) announced a settlement with the **Roman Catholic Diocese of Buffalo** (Buffalo Diocese), resolving a lawsuit filed in November 2020 against the Buffalo Diocese, Bishop Emeritus Richard Malone, and former Auxiliary Bishop Edward Grosz. The NY OAG alleged that the Buffalo Archdiocese persistently failed to address its child sexual abuse crisis and systematically evaded reforms it publicly adopted nearly twenty years ago for investigating, reviewing, and responding to abuse complaints. Instead, the NY OAG alleged that the Buffalo Diocese protected accused priests from facing the potential consequences of abuse accusations by removing them from ministry without any public disclosure of the risks posed by the accused. The settlement adopts a comprehensive court-ordered compliance program that is mandated for five (5) years. Pursuant to the program, the Buffalo Diocese must address sexual abuse complaints in a required step-by-step and documented process. It must refer all complaints it receives to law enforcement and cooperate with any investigations. Further, the Buffalo Diocese must implement a formal program to individually monitor credibly accused priests. Finally, Bishop Emeritus Malone and former Auxiliary Bishop Grosz, in their individual capacities, were banned for life from holding any secular fiduciary role with a charity registered in New York.

NY In 2019, the New York Attorney General's Office (NY OAG) became aware that the **American Irish Historical Society** ("AIHS"), which was formed in 1897 and made its home in New York City since 1940, was experiencing financial and governance problems. AIHS, which owned and was housed in a mansion on Manhattan's "Museum Mile," had, for generations, maintained a library and archives that included thousands of documents and books of Irish literature and history and hosted readings, productions of plays by Irish playwrights, and celebrations of Irish history and culture. After AIHS announced that the mansion was being offered for sale to remedy its financial problems, the NY OAG received a petition, with over 40,000 signatures, opposing the sale, which, pursuant to New York law, must be reviewed by the NY OAG. The investigation confirmed serious governance and financial problems experienced by AIHS and the failure of its governing body to take steps to remedy those problems. NY OAG began working with AIHS on a restructuring plan. The result is a plan that allows AIHS to retain ownership of the mansion and, under the leadership of an independent interim board and executive director, to stabilize the organization and safeguard its assets. Support for carrying out the plan was provided by the Consulate General of Ireland, pro bono legal services, and members of the Irish American community.

NY The New York Attorney General's Office resolved a civil charities lawsuit and a criminal case arising out of embezzlement by Shirley Goddard, the founder and senior executive of **Humanitarian Organization for Multicultural Experiences, Inc.** (H.O.M.E.). H.O.M.E. received Medicaid funding to provide outpatient, community-based services to people with developmental disabilities. The matter came to the NY OAG's attention after an audit by another state agency uncovered financial improprieties and suspected theft of funds. The charities-related complaint was based on findings that over the course of many years, Goddard falsified loans to clients, manipulated expense reimbursements, took overpayments of her salary, and embezzled hundreds of thousands of dollars. In settling the civil case, Goddard and her husband agreed that they were jointly and severally liable for more than \$650,000 in restitution due to H.O.M.E. and agreed to entry of a judgment against them. Both also agreed to be permanently barred from serving as an officer, director, trustee, key person or member or any other position bearing fiduciary responsibilities for a not-for-profit or charitable organization operating or chartered in New York. Goddard also entered a criminal plea admitting to embezzling more than \$650,000 from the organization and was sentenced to one to three years in prison.

NY The New York Attorney General's Office (NY OAG) Charities Bureau conducted an investigation of **the Association of Black, Puerto Rican, Hispanic, and Asian Legislators, Inc.** (ABPRHAL) an organization founded in 1985 by members of the New York State Assembly's legislative caucus of the same name. ABPRHAL's mission is to promote the social and general welfare of communities of color, encourage economic development, and support the fight for racial justice. The NY OAG's investigation determined that there was insufficient supervision of the organization's staff, operations and finances, that reports filed with the NY OAG were, therefore, inaccurate and incomplete, and that the ABPRHAL's scholarship program did not have a formal, objective process for awarding scholarships and paid those awarded untimely. The NY OAG secured an agreement with ABPRHAL that requires the organization to revise its bylaws, policies, and procedures and to define the roles and policies of the association's committees, officers, directors, members, and employees. ABPRHAL must also make changes to its annual audit and IRS Form 990 and formalize its scholarship program by establishing and disclosing standards and applications procedures.

OH The Charitable Law Section of the Ohio Attorney General's Office assisted law enforcement in the felony prosecution of Cari Jo Schappert. She was sentenced in connection with the theft of bingo funds from a VFW in Defiance, Ohio, and was ordered by the Common Pleas Court to make restitution of \$100,000, to make no contact with the VFW, and to serve under community control for five years. Any violations of the order could result in an 18-month prison term.

OH In April 2023, the Ohio Attorney General's Office sought and was granted a contempt order against Cindy Johnson due to Johnson's violation of terms of a 2017 case against her. The earlier case involved a church building in Athens, Ohio over which Johnson had gained control. The Attorney General's Office recovered clear title on the building on behalf of Athens citizens. Johnson was forbidden from acting as an employee, agent or volunteer of any charity where she handled charitable assets. The Office recently discovered Johnson was in breach of this 2017 agreement. Johnson was sentenced to 30 days in jail, a \$8,750 fine, and the costs of the action. She may purge her contempt by showing proof of remedial filings with the IRS and renouncing any relationship with the charitable organizations on whose behalf she has been filing 990-Ns.

OH The Ohio Attorney General's office received a complaint expressing concern over whether raffles conducted by **Mara's Mission** were truly benefitting charitable causes, or being personally used by the organization's founders, Anthony and Gina Petrochello. Following an investigation, the Attorney General's Office entered into an Assurance of Discontinuance in February 2023 with the Petrochellos and the charity that require the dissolution of Mara's Mission, an assurance that the group's founders will not serve as officers, trustees or employees of an Ohio charity or create any future nonprofits, and the payment of a civil penalty of \$10,000. A portion of the penalty could be suspended pending the timely filing of various reports connected with Mara's Mission.

OH A joint investigation by the Hillsboro Police Department and the Ohio Attorney General's Charitable Law Section determined that Andrew Marler, the former financial administrator of the Hillsboro First United Methodist Church, stole thousands of dollars from the Church, including through a payroll scheme. Marler subsequently pled guilty to a bill of information charging him with grand theft, a fourth-degree felony. Marler was sentenced to five years of community control and ordered to pay more than \$41,000 in restitution. He faces up to eighteen months in prison and a \$5,000 fine if he violates any of the community control sanctions.

OH The **United Fellowship of the Pen** ("PenOhio") was an Ohio charity whose purposes included promoting literacy and the literary arts, including student writing competitions. Thomas Merrill served as PenOhio's Project Director and principal operator from July 2017 to February 2019, during which time he controlled the organization's financial assets. Believing that Merrill had breached his fiduciary duties and unjustly enriched himself at the expense of PenOhio, the Ohio Attorney General's Office filed a complaint against Merrill and an amended complaint adding PlanetC, LLC. The Amended Complaint asserted several claims against the defendants, including breach of fiduciary duty, conversion of charitable assets, and unjust enrichment. The case was resolved through a consent judgment. Under the judgment, the defendants are liable for at least \$15,000 in restitution and civil penalties and Merrill is prohibited from incorporating, organizing or forming a nonprofit entity in Ohio. In addition, all defendants are prohibited from soliciting for charitable purposes in Ohio.

OH The Ohio Attorney General's Office (Office) received a complaint alleging that charitable donations to the **Billy Franks Fund**, run by Michelle and William Franks, had not been used in accordance with the organization's charitable purpose of awarding scholarships, as required by Ohio law. The Office's investigation yielded information to indicate possible violations of the state's charitable solicitation law prohibiting deceptive fundraising. Michelle and William Franks agreed to enter into an Assurance of Discontinuance that requires them to pay \$7,500 in a civil penalties and \$12,500 in restitution. The Assurance of Discontinuance also requires that the Billy Franks Fund be dissolved and enjoins Michelle and William Franks from acting as a volunteer, agent, or employee of any charitable organization in a capacity that oversees, manages, or handles any charitable assets.

TX The Texas Attorney General's Office (OAG) sued **West Dallas Community Centers** (WDCC) and its directors, alleging breach of fiduciary duty and negligence with respect to the management of the charity, after issues arose regarding the lease and sale of real estate and it was determined that the charity had lost its federal tax-exempt status for failure to file its IRS Forms 990 for three (3) consecutive years. The OAG alleged that, as a result, WDCC was operating in violation of its governing documents which required that it maintain its federal tax-exempt status. In late 2022, the OAG and the defendants settled the lawsuit. Under the settlement, WDCC will dissolve and transfer its assets to a charity with a similar mission, and any board members that seek to become fiduciaries of another nonprofit must first obtain and document training on the roles and responsibilities of directors of nonprofit organizations.

TX The Texas Attorney General's Office (OAG) entered into a pre-litigation memorandum of agreement with **East Waco Development Corporation** (EWDC) pursuant to which the charity will formally dissolve and cy pres its assets to a local charity with a similar purpose. The agreement also prohibits the charity's board members from serving as charitable fiduciaries. The OAG alleged that EWDC improperly expended charitable funds and breached its fiduciary duty to the charity by failing to remain in good standing with the Texas Secretary of State and losing its federal tax-exempt status for failure to file an IRS Form 990 for three (3) consecutive years.

b. Trusts and Estates

CA In October 2022, the California Attorney General obtained an order surcharging the trustees of the **Charley Family Trust** more than \$6 million. J. Dean Charley died in California in 2014. He left an estimated \$5.3 million in a charitable trust to “501(c)(3) organizations” to be chosen by his nephew and successor trustee, Jerry Charley, a resident of Minnesota. At Dean’s death, Jerry was required to notify the Attorney General that the trust had become irrevocable, register it with the Attorney General’s Registry of Charitable Trusts, and file annual accountings, but did not do so. When the Attorney General learned of the trust, it requested an accounting and after unsuccessful attempts to resolve the matter, obtained an order surcharging Jerry and his wife, Ann, for approximately \$6.4 million, including the missing funds plus interest since 2018, and awarding the Attorney General more than \$150,000 in attorney’s fees and costs.

MN In January 2023, the Minnesota Court of Appeals upheld the Ramsey County District Court’s decision to remove former **Otto Bremer Trust** trustee Brian Lipschultz. In that precedential decision, the Court of Appeals affirmed that Lipschultz “continually breached his duties to the Trust’s beneficiaries,” “caused the Trust to incur unnecessary expenses, injured the Trust’s charitable reputation, refused to disclose information to the AGO, and eliminated a relationship with at least one beneficiary.” The Court held that Lipschultz’s “actions support the district court’s determination that Lipschultz is unfit to administer the Trust and that he has persistently failed to administer the Trust.” In August 2020, the Charities Division of the Attorney General’s Office brought a petition to remove Lipschultz and the other Otto Bremer Trust trustees. Following a weeks-long evidentiary hearing in October 2021, the Ramsey County District Court removed Lipschultz. In its order, the district court found that Lipschultz engaged in “egregious” misconduct and a “pattern of improper behavior,” including “repeatedly” misusing trust resources for his personal benefit, acting with “hostile” and “coercive” conduct toward grantees, and misrepresenting key facts to the Attorney General in a manner that the court characterized as “disturbing” and “troubling.” Lipschultz appealed the order in June 2022 and the Minnesota Court of Appeals heard oral arguments in September 2023.

NH ***Attorney General, Director of Charitable Trusts v. James E. Ritzo, Esq., Trustee of the Francis W. Cash Trust, et al.*** In July 2021, the Charitable Trusts Unit of the New Hampshire Attorney General’s office filed a civil complaint against James E. Ritzo, individually and as trustee of the Francis W. Cash Trust, and Mr. Ritzo’s wife, Carol, alleging various statutory and common law causes of action, including Mr. Ritzo’s ongoing breach of fiduciary duty in his capacity as trustee of the trust, the involvement of both Ritzos in the conversion of trust assets and the couple’s unjust enrichment, the involvement of both Ritzos in numerous fraudulent transfers, and Mr. Ritzo’s violation of state charity law with respect to charitable trusts. This matter currently is in the discovery phase.

NH *In re: Robert T. Keeler Maintenance Fund for the Hanover Country Club at Dartmouth College.* In March 2022, the Robert T. Keeler Foundation and the fiduciary for the Estate of Robert T. Keeler appealed to the New Hampshire Supreme Court orders of the probate court that denied their motion to intervene in connection with a petition to modify restrictions governing an institutional fund created under the Last Will and Testament of Robert T. Keeler and granted the petition to modify the fund under UPMIFA. The Charitable Trusts Unit of the New Hampshire Attorney General's Office assented to the petition to modify the fund under UPMIFA and opposed the petitioners' motion to intervene due to lack of standing. In July 2023, the Court issued its order, holding that the petitioners lacked standing under UPMIFA to intervene in the case.

NH *In re: Estate of Linda Marie Oteri.* In February, 2023, the New Hampshire Attorney General, Director of Charitable Trusts filed a motion to remove the special administrator of the estate and appoint a new administrator due to the failure of the special administrator to fulfill her duties under state law. The court granted the motion, appointed a new administrator, and ordered a show cause hearing on whether the special administrator should be found in contempt of court.

NY *People of the State of New York v. Paul P. Marchese and Robin S. Maynard, Marchese & Maynard LLP, The Harold & Helen Gottlieb Foundation.* In August 2023, the New York Attorney General's Office (NY OAG) recovered \$510,000 from two attorneys who used their positions as fiduciaries of two charitable entities – a trust and a private foundation – to pay themselves \$1.3 million from the estate of a deceased client. The recovery settled a lawsuit brought by the NY OAG which alleged that the attorneys, who prepared their client's estate plan, abused their positions in two ways. As the trustee of the client's trust, they directed the trust to pay their law firm \$600,000 without substantiating any work done for the trust. Then, operating their deceased client's foundation without a legally constituted board of directors, they paid themselves salaries totaling more than \$750,000 over ten years. In addition to paying restitution, the lawyers are barred from serving as directors or officers or in an equivalent position at a not-for-profit charitable organization in the New York for three (3) years and, within six (6) months, they must complete accredited CLE training, approved by the NY OAG, regarding the duties of fiduciaries of trusts and estates holding charitable interests, and a training program, approved by NY OAG, regarding service as a director of a New York State not-for-profit corporation. As part of the settlement, the foundation will be dissolved, and its remaining assets distributed to charitable organizations under the supervision of the NY OAG.

TX The Texas Attorney General's Office received statutorily-required notice of a proposed trust modification, the effect of which would have been to reduce to zero the trust's charitable gift to a family foundation, valued at \$16 million. The foundation's board members were also beneficiaries under the trust. After discussions with the Attorney General regarding potential conflicts of interest and the legal criteria for judicial modification of trust, petitioner nonsuited the trust modification.

TX The Texas Attorney General's Office received statutorily-required notice of a petition for declaratory judgment and request for construction of a will concerning a named testamentary charitable beneficiary that could not be located. The petitioner sought to have the \$75,000 charitable gift nullified by the court and the charitable gift distributed to non-charitable beneficiaries. The Attorney General's office asserted that this was properly a matter for *cy pres*, and helped identify a charity similar to the one that could not be found. The petitioner amended their pleading to distribute the gift to charity.

e. Other enforcement actions

CA The California Attorney General (AG) successfully prevented a developer from extinguishing a conservation easement on more than 300 acres of undeveloped land in Malibu, California. The Attorney General was named as an indispensable party in a quiet title action to determine if a conservation easement on real property in Malibu was extinguished when the bank lender foreclosed on the property. Mountains Restoration Trust, a charity, defaulted on a mortgage for the Malibu property that was subject to a conservation easement. The bank foreclosed on the property and sold it to a developer. The developer intended to build houses on the property and filed a quiet title action claiming the conservation easement was extinguished with the foreclosure. In a published decision, the California Court of Appeal confirmed that the conservation easement remains on the property in perpetuity and affirmed the award of almost \$200,000 to the AG for fees and costs.

CO The CO Secretary of State's Office created a list of charities with Colorado addresses through segmenting certain information in the IRS Business Master File. The Office then compared the results with its registration data, and implemented a process for contacting those registered with the IRS but not with the Secretary of State that the Office. The Office plans to use this list for outreach on a regular basis and began by mailing letters to the 50 charities with the highest gross revenue according to the IRS list.

CT **The Lebanon Town Green.** The Connecticut Attorney General's Office aided in facilitating a resolution of multi-year litigation involving land ownership issues stretching back over two hundred years. The contentious dispute between an historic church and the town and a historic preservation organization presented complicated questions related to quiet title, fee interest in land, theories of "public use," and conservation and preservation restrictions.

SC The South Carolina Secretary of State's Charities Division collected a record \$629,260 in fine revenue for 1,000 charities' delinquent registration filings, \$7,400 from delinquent professional fundraiser filings, and \$18,060 from delinquent charity raffle registrations.

2. Outreach Activities

a. Guidance

CA The California Attorney General's Office issued an alert warning Californians against fraudulent charitable and crowdfunding solicitations following the Maui wildfires.

Following the Maui Wildfires, Attorney General Bonta Issues Consumer Alert Warning Californians Against Fraudulent Charitable and Crowdfunding Solicitations | State of California - Department of Justice - Office of the Attorney General. See: <https://oag.ca.gov/news/press-releases/following-maui-wildfires-attorney-general-bonta-issues-consumer-alert-warning>

CO The Colorado Secretary of State issued a holiday "wise giving tips" press release and released an annual report on charitable giving.

GA The Georgia Secretary made publicly available the following online guidance:

- Protecting Your Nonprofit from Scams, Fraud & Imposters
<https://pbpatl.org/protecting-your-nonprofit-from-scams-fraud-imposters>
- Online Giving Donor and Consumer Guide
<https://sos.ga.gov/page/online-giving-donor-and-consumer-guide>
- Giving Tips and Red Flags
<https://sos.ga.gov/page/charity-giving-tips-and-red-flags>
- 10 Charity Giving Tips (Video)
<https://sos.ga.gov/page/charity-giving-tips-and-red-flags#10%20Charity%20Giving%20Tips>
- Red Flags of Common Charity Scams (Video)
<https://sos.ga.gov/page/charity-giving-tips-and-red-flags>
- Resources for Consumers and for Charities
<https://sos.ga.gov/page/charity-giving-tips-and-red-flags#Additional%20Resources>
- How To Report A Charity Scam
<https://sos.ga.gov/how-to-guide/how-report-charity-scam>

IL The Illinois Attorney General's Office (Office) released a consumer alert to remind the public about safe and appropriate charitable giving in connection with the earthquakes that struck Turkey and Syria in early February 2023. The Office also participated in a radio interview to further inform the public about issues with charitable donations in support of disaster relief.

IN The Indiana Attorney General issued donor guidance in connection with Giving Tuesday and in the aftermath of severe storms affecting the state: See: Giving Tuesday guidance and Avoiding disaster fraud guidance.

MA The Massachusetts Office of the Attorney General issued a Guide for Board Members of Charitable Organizations. See: https://www.mass.gov/files/documents/2022/12/22/2022-12-20%20CHARITIES-GUIDANCE_PUB_V2.pdf

MD The Maryland Attorney General and the Maryland Secretary of State issued a joint press release on Giving Tuesday 2022 and International Charity Fraud Awareness Week 2022.

SC The South Carolina Secretary of State's Office launched its new mobile app **Give Smart SC**. Donors can download the app for free and use it to check to see if a charity is registered to solicit in South Carolina. Donors can also use the app to review a charity's most recently filed annual financial report.

SC In October 2022 as part of International Charity Fraud Awareness Week, the South Carolina Secretary of State published the 2021-2022 Wise Giving Report. This report included tips on wise charitable giving, data from professional fundraising campaigns and joint financial reports, and the **2022 Give Smart Watch List**.

b. Trainings

CO The Colorado Secretary of State's Office hosted a "How to Renew" webinar and workshop in early November 2022 to field questions from charities facing a November 15, 2022, renewal date.

MD The Maryland Secretary of State's Office conducted virtual town halls about various charity-related topics including registration requirements for charities and professional fundraisers, giving wisely (targeting donors), and how to avoid being a victim of cybercrime (targeting charitable organizations). Links to the recordings can be found at: <https://sos.maryland.gov/Charity/Pages/default.aspx>.

NH The Charitable Trusts Unit of the New Hampshire Attorney General's Office gave **13 targeted trainings** for trustees of organizations and municipalities with identified governance and financial concerns.

NH The Charitable Trusts Unit initiated **free quarterly online training sessions** for members of boards of directors of charitable organizations and their executive directors. Each session attracted at least 300 attendees.

NH The Charitable Trusts Unit of the New Hampshire Attorney General's Office provided targeted training to the **NH Municipal Association** on the roles and responsibilities of municipal trustees and to the **New Hampshire Center for Nonprofits** on the responsibilities of directors and officers of charitable organizations.

NY The Charities Bureau of the New York Attorney General's Office resumed its **in-person symposia** post-pandemic. These trainings cover nonprofit governance, financial management, and the role of the Charities Bureau in oversight of nonprofits.

NC The North Carolina Secretary of State's Office made presentations on registration and compliance issues across the state, including at the **Guilford Technical Community College SBC**, the **Carter County SBC** and the **North Carolina Center for Nonprofits**.

OH Ohio launched **Charitable University** in January 2023 as an online learning platform with information aimed at equipping charity board members with tools to do their jobs properly. Individuals can enroll through <https://charitable.ohioago.gov/>. Participants can view a variety of webinars and resource materials that go with each module. The trainings, which last about 20 minutes each, cover topics such as board governance, government filings and recordkeeping, financial activities, and fundraising. Ohio Attorney General Dave Yost announced that his office will require all charitable organizations that receive funding from his office to participate in the program.

SC The South Carolina Secretary of State's Office published online video tutorials for accessing the office's online filing system and filing annual financial reports. The office plans to publish tutorials for each online form available for charities, professional fundraisers, and nonprofit raffles.

WA The Washington State Offices of the Attorney General and the Secretary of State collaboratively created a PowerPoint presentation called **GovernSmart** for reporting requirements to the AG's Office and compliance for reporting requirements to the Secretary of State's Office office. Together, the offices conducted in-person presentations on GovernSmart for nonprofits organizations.

b. Conferences/Special Presentations

CO Presented a charities program update to the **2022 CBA-CLE Nonprofit Institute** and made a presentation on nonprofit regulation in Colorado to a World Denver delegation of visiting officials from the Czech Republic.

CT The Charities Unit of the Connecticut Attorney General's Office (AGO) presented an hour-long program at the **Judge's Probate Assembly Meeting** in June 2023. The Connecticut Probate Assembly, in partnership with the Office of the Probate Court Administrator, oversees the operations of the Probate Courts, including training and education of all Probate Judges and Court Staff. Among the topics included in the presentation were cy pres and deviation actions, an analysis of high fee cases in decedent's estates, the role of the Attorney General in mutual distribution agreements, and a broad discussion regarding required notice to the AGO.

DC/MD/VA The Offices of the Attorneys General for Maryland, Virginia, and the District of Columbia collaborated to present to the **Nonprofit Legal Finance and Grants Conference** on state AGs' oversight and enforcement authority over nonprofits and charitable trusts.

MS The Mississippi Secretary of State's Office attended the **Mississippi Society of Certified Public Accountants Annual Meeting** to discuss issues and trends regarding registration and examination of charities.

2. Transaction Reviews

CA In May 2023, the California Attorney General (CA OAG) received a notice from **Holy Names University** (HNU), a private nonprofit university in Oakland, California, that it intended to sell its campus. HNU faced significant financial shortfalls that were exacerbated by Covid and was facing the loss of its property through foreclosure if it was unable to complete a sale of the property. HNU intends to continue to support many of its undergraduate and graduate students through its endowed scholarship funds. The CA OAG approved the transaction and is continuing to monitor the distribution of HNU's assets, including its endowment funds.

MA In April 2022, after a lengthy review process, the Massachusetts Attorney General's Office (AGO) assented to the sale of **Atrius Health, Inc.** ("Atrius"), a large independent health care provider in eastern Massachusetts, to a for-profit purchaser, Optum Care. As part of the AGO's review of the proposed transaction, the AGO engaged an independent financial consultant to help provide an opinion on fair market value for the assets being sold. With the help of its consultant, the AGO identified a significant inconsistency in the valuation of the assets being sold, and after careful negotiation, the parties agreed to increase the purchase price by over \$150 million. After the sale closed, the proceeds from the transaction, which were now significantly greater, were transferred to a MA charitable foundation focused on promoting health equity in eastern MA.

NH *State of New Hampshire and Attorney General, Director of Charitable Trusts v. Exeter Health Resources, Inc. and Beth Israel Lahey Health, Inc.* In October 2022, pursuant to New Hampshire's Standards for Acquisition Transactions Involving Health Care Charitable Trusts, Exeter Health Resources, Inc. (EHR) and its subsidiaries submitted to the Charitable Trusts Unit of the New Hampshire Department of Justice (CTU) notice of a proposed change of control transaction with Beth Israel Lahey Health (BILH). Under the terms of the proposed transaction, BILH would become the sole corporate member of EHR and the indirect parent of all EHR's subsidiaries. In June 2023, the State and the CTU filed a complaint against EHR and BILH, along with a proposed final judgment to which EHR and BILH assented. The proposed final judgment, which the court approved, requires that EHR and BILH undertake certain additional actions to comply with state antitrust and charitable trust laws. The CTU also issued a separate 18-page report, concluding that it would take no action to oppose the transaction, subject to compliance with the final judgment.

NH In August 2022, the Charitable Trusts Unit of the New Hampshire Attorney General's office initiated a review into whether the decision of **FMH Health Services, LLC** ("FMH") to close labor and delivery services at Frisbie Memorial Hospital violated conditions in the February 3, 2020, Report of the Director of Charitable Trusts on the Proposed Acquisition Transaction of Frisbie Memorial Hospital. Following the review, in March 2023, the Attorney General, Greater Rochester Community Health Foundation ("GRCHF"), and FMH (a company operated by HCA Healthcare, Inc.) entered into a settlement agreement under which FMH would make available to GRCHF approximately \$2.75 million in support of its mission to improve the health and well-being of people residing in the Greater Rochester community.

NH On November 17, 2022, **Rannie Webster Foundation** (RWF) and Rannie Webster Holding Corporation (RWHC) submitted to the Director of Charitable Trusts notice of a proposed transaction pursuant to which RWF and RWHC would merge into a single entity, and SilverStone by Hunt d/b/a SilverStone Living would become the sole corporate member of that merged entity. Because the proposed transaction involved a change of control under state law, it was subject to the review of the Director of Charitable Trusts. In March 2023, the Director of Charitable Trusts issued a 15-page report, concluding that the Charitable Trusts Unit of the New Hampshire Attorney General's Office would take no action to oppose the transaction subject to 11 conditions outlined in the report.

NH On April 24, 2023, Mascoma Community Healthcare, Inc. (MCH) submitted to the New Hampshire Director of Charitable Trusts notice of a proposed transaction involving HealthFirst Family Care Center, Inc. (HealthFirst). Under the proposal, MCH will lease its building and equipment and transfer its operations to HealthFirst during the lease term. Because the proposed transaction involves the transfer of control of 25 percent or more of MCH's assets, it constitutes an "acquisition transaction" and is subject to the review of the Director of Charitable Trusts. In July 2023, the Director of Charitable Trusts issued an 11-page report, concluding that the Charitable Trusts Unit of the New Hampshire Attorney General's Office would take no action to oppose the transaction subject to seven (7) conditions outlined in the report, including probate court approval.

4. Regulations/Legislation

a. Regulations – Published or Adopted

MD The Maryland Secretary of State amended existing regulations to conform with current practices of office including changes to procedural regulations related to contested case hearings, clarification on the definition of religious exemption, a requirement to identify in each annual registration or fundraising notice the names and alternative names used in solicitation, when the Secretary of State notifies organizations of annual requirements and incomplete forms, and clarification of the timeline for organizations that are not compliant with the annual filing requirements to request additional time.

NH In October 2022, the New Hampshire Attorney General adopted administrative rules pertaining to, among other things, charitable trusts, charitable solicitations, community benefits reporting, and conservation easement amendment review requests. See NH Admin. R. Jus 400 <https://www.doj.nh.gov/charitable-trusts/documents/jus-400-adopted-rule.pdf>.

b. Legislation

CA In October 2021, California enacted a law that includes charitable fundraising platforms and platform charities under the California Attorney General’s supervision of charities and charitable fundraising activities. Under **California Government Codes 12599.9 and 12599.10**, charitable fundraising platforms include charitable crowdfunding websites, e-commerce companies that solicit donations for charities or engage in online charitable sales promotions, and companies that provide customizable versions of their fundraising platforms to charities. Platform charities are retained by charitable fundraising platforms, typically for the purpose of soliciting and receiving donations for other charitable organizations. The California Attorney General is in the process of promulgating regulations to implement AB 488’s requirements.

CT In June 2023, the Connecticut Legislature passed **Public Act 23-98** (PA 23-98). It makes several changes in the Connecticut Solicitation of Charitable Funds Act including raising the revenue threshold above which a registered charitable organization must submit to a formal audit, while allowing smaller organizations to instead submit to a CPA’s financial “review report.”

FL Effective July 1, 2023, under **FDACS-10110**, an organization or sponsor that had less than \$50,000 in total revenue (including contributions) during its immediately preceding fiscal year and whose fundraising and other activities are carried on by unpaid personnel is eligible to submit the Solicitation of Contributions Small Charitable Organizations/Sponsors Application.

IL Effective January 1, 2024, under **Public Act 103-0121**, charitable organizations whose fund-raising functions are carried out solely by staff and volunteers, and who receive contributions in excess of \$500,000 will be required to file an Audit with the Annual Report. (225 ILCS 460/4(a)). Further, charitable organizations whose fund-raising functions are carried on solely by staff and volunteers and who receive contributions in excess of \$300,000 must file a certified public accountant's financial review. (225 ILCS 460/4(b)(3))

IN The Indiana Legislature enacted **HB 1212** regarding privacy protections for nonprofit organizations, members, volunteers, and donors. With certain exceptions, the Act prohibits a state agency or political subdivision from: (1) requiring a person or nonprofit organization to provide personal information to the state agency or political subdivision; (2) releasing, publicizing, or publicly disclosing personal information; or (3) requesting or requiring a current or prospective contractor or grantee to provide a list of nonprofit organizations to which the current or prospective contractor or grantee has provided financial or nonfinancial support. The Act further provides that personal information is considered confidential and is not subject to disclosure under Indiana's access to public records act (APRA). A person alleging a violation of the Act's provisions may bring a civil action for injunctive relief, specified damages, or both. Further, a public employee, a public official or an employee or officer of a contractor or subcontractor for a public agency; who violates the bill's provisions is subject to the penalties and discipline that apply to violations of APRA. Under the Act, «personal information» is defined as data that directly or indirectly identifies a «person» (including an individual, a corporation, a limited liability company, a government entity, a partnership, a trust, an estate, or other entity) as a member or supporter of, volunteer for, or donor to a nonprofit organization. See: <https://iga.in.gov/legislative/2023/bills/house/1212/details>

IN The Indiana Legislature enacted **SB 302** regarding the regulation of charitable organizations. The new law prohibits a state agency or a state official from imposing on a charitable organization any filing or reporting requirements that are more stringent or burdensome than those imposed by, or authorized under, state or federal law. Provides that this limitation does not apply: (1) to requirements imposed in connection with: (A) state grants or contracts; or (B) fraud investigations; or (2) in connection with an enforcement action against a specific charitable organization. See: <https://iga.in.gov/legislative/2023/bills/senate/302/details>

MD In 2023, the Maryland Legislature enacted **House Bill 0072** which allows an organization that primarily receives only in-kind contributions and redistributes those goods to individuals residing in Maryland to submit an affidavit to the Secretary of State instead of filing the required financial review or audit performed by an independent certified public accountant. The new law outlines specific criteria that must be met by the organization to qualify to submit the affidavit instead of the financial review or audit. The bill also modifies the definition of what a charitable contribution does not include so that it conforms to a standard of the IRS Form 990.

MS **Miss. Code Ann. Section 79-11-507** was revised effective July 2023 to require an audited financial statement for charities using only volunteers if the charity receives \$750,000 or more in monetary donations.

NH The New Hampshire statute pertaining to filing fees was amended to permit the Charitable Trusts Unit of the Attorney General's Office to charge filers for any fees incurred by the Attorney General's Office in processing online payments.

OK Oklahoma **Senate Bill 772** was passed during the 2023 Legislative Session, amending the Solicitation of Charitable Contributions Act, 18 O.S. § 552.1 et seq., (the Act) and effective November 1, 2023. The bill adds a section to be codified at 18 O.S. § 552.24 that requires certain charitable organizations to notify the Office of the Attorney General (OAG) 45 days prior to any of the following events: (1) dissolution or termination of the organization; (2) disposition of all or substantially all of the organization's assets; (3) removal of the organization from the jurisdiction of the state; (4) removal of all or substantially all of the organization's assets from the jurisdiction of the state; (5) amendment of the organization's governing document that describes the charitable purpose of the organization or the use of the organization's assets; or (6) merger, consolidation, or conversion of the organization. Additionally, charitable organizations subject to the Act will be required to notify the OAG within 20 days of the organization's federal tax exemption being revoked, modified, or denied.

TX Effective September 2023, **Sec. 22.353 of the Texas Business Organizations Code**, is amended to require a Texas nonprofit corporation to maintain "each document the corporation is required to make available for public inspection as an entity that is exempt from income taxation under Section 501(a), Internal Revenue Code of 1986, by being listed as an exempt organization under Section 501(c)(3) of that code" at the corporation's registered or principal office for at least three years after the close of the fiscal year. This information must be made "available to the public for inspection and copying at the corporation's registered or principal office during regular business hours."

WA A new law changes Washington's commercial telephone solicitation laws to include provisions applicable to charitable fundraising.

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